

Filing at a Glance

Company: North Pointe Insurance Company

Product Name: ARKANSAS PET INSURANCE SERFF Tr Num: NRPT-125219869 State: Arkansas

TOI: 09.0 Inland Marine

SERFF Status: Closed

State Tr Num: AR-PC-07-025268

Sub-TOI: 09.0004 Pet Insurance Plans

Co Tr Num:

State Status:

Filing Type: Rate

Co Status:

Reviewer(s): Becky Harrington,
Betty Montesi

Author: Marissa Lineberry

Disposition Date: 08-15-2007

Date Submitted: 06-28-2007

Disposition Status: Filed

Effective Date Requested (New): On Approval

Effective Date (New):

Effective Date Requested (Renewal):

Effective Date (Renewal):

General Information

Project Name: NP-07-01-PB-AR-RR

Status of Filing in Domicile:

Project Number: NP-07-01-PB-AR-RR

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 08-15-2007

State Status Changed: 06-28-2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Re: North Pointe Insurance Company (North Pointe)

NAIC #27740

FEIN #38-2706529

Pet Insurance Program

Our Company File No. NP-07-01-PB-AR-RR

Dear Sir/Madam:

Enclosed please find North Pointes property rates and rules in connection with Pet Insurance Program. This filing is proposed to be effective upon approval by the Department.

Please forward all other correspondence regarding this filing to:

Marissa Lineberry

North Pointe Insurance Company

28819 Franklin Road, Southfield, MI 48034

Phone: 800-229-6742; Fax: 248-359-9937

Thank you for your kind attention to this matter. If there are any questions, please do not hesitate to contact me.

Company and Contact

Filing Contact Information

Marissa Lineberry,
28819 Franklin Road
Southfield, MI 48034

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(248) 359-9937[FAX]

Filing Company Information

North Pointe Insurance Company
28819 Franklin Road
Southfield, MI 48034
(248) 358-1171 ext. [Phone]

CoCode: 27740
Group Code: 1141
Group Name:
FEIN Number: 38-2706529

State of Domicile: Michigan
Company Type:
State ID Number:

Filing Fees

| | |
|------------------|----|
| Fee Required? | No |
| Retaliatory? | No |
| Fee Explanation: | |
| Per Company: | No |

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|--------|------------------|------------|----------------|
| Filed | Becky Harrington | 08-15-2007 | 08-15-2007 |

Objection Letters and Response Letters

| Objection Letters | | | | Response Letters | | |
|---------------------------------|---------------------|------------|----------------|-------------------|------------|----------------|
| Status | Created By | Created On | Date Submitted | Responded By | Created On | Date Submitted |
| Pending Industry Response | Becky Harrington | 08-10-2007 | 08-10-2007 | Marissa Lineberry | 08-15-2007 | 08-15-2007 |
| Pending Industry Response | Becky Harrington | 07-06-2007 | 07-06-2007 | Marissa Lineberry | 08-09-2007 | 08-09-2007 |

Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|-----------|---------------|------------------|------------|----------------|
| Discounts | Reviewer Note | Becky Harrington | 07-06-2007 | |

Disposition

Disposition Date: 08-15-2007

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Arkansas Code Annotated §23- 67-211(a)(1) requires every authorized insurer to file with the Commissioner all rates and supplementary rate information and all changes and amendments made by it for use in this State at least twenty (20) days before they become effective. Your filing was completed on the date above and cannot be effective for 20 days after that date.

Rate data does NOT apply to filing.

| Item Type | Item Name | Item Status | Public Access |
|-----------------------|-------------|-------------|---------------|
| Supporting Document | TRANSMITTAL | Filed | Yes |
| Rate | RATES | Filed | Yes |
| Rate <i>(revised)</i> | Rates Pages | Filed | Yes |
| Rate | Rates Pages | | Yes |
| Rate <i>(revised)</i> | RULES | Filed | Yes |
| Rate | RULES | | Yes |

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08-10-2007

Submitted Date 08-10-2007

Dear Marissa Lineberry,

This will acknowledge receipt of the captioned filing.

Objection 1

- Rates Pages (Rate)

- RULES (Rate)

Comment: The Associate Provider Veterinary Clinics credit describes services similar to an agent. Will the veterinarians have an agent's license? If not, please remove the credit.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State

Response Letter Date 08-15-2007

Submitted Date 08-15-2007

Dear Betty Montesi,

Comments:

Response 1

Comments: I have removed the Associate Provider Veterincary Clinics credit from our rules and rates. Please find the corrected ones attached.

Thanks

Related Objection 1

Applies to:

- Rates Pages (Rate)

- RULES (Rate)

Comment: The Associate Provider Veterinary Clinics credit describes services similar to an agent. Will the veterinarians have an agent's license? If not, please remove the credit.

No Supporting Documents have changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

| Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing # |
|-------------------|------------------|-------------|-------------------------|
| Rates Pages | | New | |
| RULES | | New | |
| Sincerely, | | | |
| Marissa Lineberry | | | |

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 07-06-2007

Submitted Date 07-06-2007

Dear Marissa Lineberry,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Rate and rule manual pages must be submitted.

Objection 2

No Objections

Comment: Required forms Uniform Transmittal Document and RF-1 (NAIC Loss Cost Data Entry Form) must be submitted.

Objection 3

No Objections

Comment: A filing fee of \$100 is required.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State

Response Letter Date 08-09-2007

Submitted Date 08-09-2007

Dear Betty Montesi,

Comments:

Response 1

Comments: Attached are our rate rule pages. Attached is a completed transmittal document. RF-1 does not need to be completed we are not adopting loss costs. Our filing fee has already be sent

Related Objection 1

Comment: Rate and rule manual pages must be submitted.

Related Objection 2

Comment: Required forms Uniform Transmittal Document and RF-1 (NAIC Loss Cost Data Entry Form) must be submitted.

Related Objection 3

Comment: A filing fee of \$100 is required.

Supporting Document Schedule Item Changes

Satisfied -Name: TRANSMITTAL

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

| Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing # |
|--------------|------------------|-------------|-------------------------|
| Rates Pages | | New | |
| RULES | | New | |

Sincerely,
Marissa Lineberry

Reviewer Note

Created By:

Becky Harrington on 07-06-2007 10:23 AM

Subject:

Discounts

Comments:

Check for insured referral rule and other discounts. Excessive claims and lack of clamis.

Rate Information

Rate data does NOT apply to filing.

Rate/Rule Schedule

| Review Status: | Exhibit Name: | Rule # or Page #: | Rate Action | Previous State Filing Attachments Number: |
|----------------|---------------|-------------------|-------------|---|
| Filed | RATES | | New | PB Rating Memo - 5-29-07 - AR.pdf |
| Filed | Rates Pages | | New | Revised AR Rate Pages 8-15-07.pdf |
| Filed | RULES | | New | Revised AR rules 8-15-07.pdf |



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

This document was prepared as a filing memorandum for North Pointe Insurance Company (North Pointe) for the new pet insurance program. Pet insurance is a specialized class within the personal lines inland marine sector of the insurance industry. There is very little statistical data available. Rating organizations do not make reference filings on behalf of client companies, and therefore there is nothing in any of the A.M. Best Company statistical data either. The few companies offering pet insurance will classify the product under Inland Marine and so the industry statistics will be commingled with dissimilar subjects of insurance, and therefore of little value for the purposes of rate making.

Given the absence of industry data, we have located other sources of data and prepared our own methodology to launch this program. To assist us in developing our rates and rating methodology, we have retained the services of James Streff, who has been a Fellow of the Casualty Actuarial Society (CAS) for 30 years. Mr. Streff has assisted us with our actuarial assumptions and conclusions in developing this rate filing, including determination of base rates, as well as with the organization and categorization of rates and premium modification factors. Given the lack of actuarially credible industry data, logical organization of our rating methodology at the outset will be critical to developing a statistical base of our own, which, among other things, will be beneficial to future form and rate filing activity.

As our program grows, we will be revising our ratemaking approach to utilize this experience. The Pets Best agency has a very limited pool of experience from a similar program with General Fire & Casualty; this has been given consideration in our ratemaking.

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Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Calculating the Base Rate

The American Veterinary Medical Association (AVMA) published an Ownership & Demographics Sourcebook (ODS) in 2002. We used this as a starting point realizing that even though the data may be a few years old, the trends in that document were still valid. The ODS has statistics on all classes of pets but North Pointe's insurance program is only for canines and felines. The structure for estimating the premiums for the pet program are highly driven by the frequency and severity of claims. Pet insurance will have high claim frequencies and low claims severities. Reinsurance and measurement of risk will not be important issues in this rate filing. The logic for calculating the rates for canines is the same as for felines. The assumptions, of course, are different.

Canine Analysis

Estimating Claim Frequency: the canine analysis begins with an estimate of claim frequency, which aligns with the number of visits a dog makes to the veterinarian each year. The AVMA study indicates the mean number of visits – Table A - to the veterinarian per dog per year was:

| Year | Number of Annual Vet Visits |
|------|-----------------------------|
| 1991 | 1.9 |
| 1996 | 1.8 |
| 2001 | 1.9 |

Table A

In our rate analysis, we assumed that the number of average visits to the veterinarian per dog per year is 2.0. Furthermore, we assumed that the distribution of vet visits per dog per year is as shown below in Exhibit 1.

Number of Veterinary Visits per Year Per Dog

| Number | Percent |
|-----------|---------|
| None | 20.0% |
| 1 | 20.0% |
| 2 | 30.0% |
| 3 | 15.0% |
| 4 | 8.0% |
| 5 | 4.0% |
| 6 or More | 3.0% |
| Total | 100.0% |
| Average | 2.00 |

Exhibit 1

We modified this distribution to recognize that the person who is most likely to purchase pet insurance is likely to have more visits to the vet than the person who would not buy pet insurance. Therefore, we modified the Exhibit 1 to create Exhibit 2. Exhibit 2 shows that we expect three visits per dog per year from the people who would purchase pet insurance. Specifically, we modified Exhibit 1 by assuming not all of the people who do not take their dog to the vet would purchase pet insurance. We believe that the people who would purchase pet insurance would be the people who take their dog to the vet twice year or more often than that.



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Number of Veterinary Visits per Year by Insured Pet Owner

| Per Dog | |
|-----------|---------|
| Number | Percent |
| None | 0.0% |
| 1 | 10.0% |
| 2 | 30.0% |
| 3 | 30.0% |
| 4 | 20.0% |
| 5 | 6.0% |
| 6 or More | 4.0% |
| Total | 100.0% |
| Average | 3.00 |

Exhibit 2

Estimating Claim Severity - Cost of Claims

The AVMA study showed the average cost of a visit to the vet per dog was as shown in Table B:

| Year | Avg. Cost of a Vet Visit |
|------|--------------------------|
| 1991 | \$49.90 |
| 1996 | \$73.60 |
| 2001 | \$99.10 |

Table B

Cost Per Veterinary Visit Per Dog

| Cost | Percent | Ave. Cost | Cost per Dog |
|------------------|---------|------------|--------------|
| \$0 to \$50 | 14.3% | \$30.00 | \$4.30 |
| \$50 to \$75 | 16.0% | \$62.00 | \$9.92 |
| \$75 to \$100 | 18.7% | \$87.00 | \$16.24 |
| \$100 to \$150 | 14.7% | \$125.00 | \$18.33 |
| \$150 to \$200 | 12.7% | \$175.00 | \$22.17 |
| \$200 to \$250 | 10.3% | \$225.00 | \$23.25 |
| \$250 to \$350 | 6.3% | \$300.00 | \$19.00 |
| \$350 to \$500 | 4.0% | \$425.00 | \$17.00 |
| \$500 to \$1,000 | 1.7% | \$750.00 | \$12.50 |
| Over \$1,000 | 1.3% | \$1,500.00 | \$20.00 |
| Total | 100.0% | | \$162.71 |

Exhibit 3

In constructing our estimate of the average claim severity, we used the assumptions shown in Exhibit 3. This exhibit indicates that we are expecting the average visit to the vet for a dog to be \$162.71. The increase from \$99.10 to \$162.71 is at an inflation rate of approximately 9% per year.

The distribution of the vet visits into a cost band was made by using vet fee schedules. We assumed that a vet visit over \$1,000 would average \$1,500 (For the \$14,000 Limit policy we assume a higher average over \$1,000). Exhibit 3 assumes that 15.4% of the vet visits will cost less than \$50. The visits costing between \$50 and \$75 will comprise 17.7% of the visits to the vet. This distribution creates the average cost estimate of \$162.71



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Allocating Costs to Type of Claim

Our next step was to break down the costs into categories. We estimate the cost and frequency of the claim by these groupings. The first grouping is the vet visits for accidental injuries. The second grouping is for visits to the vet for health related reasons. The third grouping is for wellness related reasons. Accidental coverage can be sold by itself. The health policy will always include all of the accidental exposure and the wellness policy may be sold in conjunction with the health exposures. Exhibit 4 shows the allocations we made by the cost size of the visit. The data in each cell of Exhibit 4 shows how we expect the three visits each year per dog to be spread by type of visit and the cost band. For example, of the 3.00 visits per year, we expect .15 of a visit to be for accidental reasons. The visits for health reasons will be 1.80 visits per year and the visits for wellness reasons will be 1.05 visits per year.

The spread of the visits by cost band indicates that the health visits will have a higher proportion of the visits in the higher cost bands. This is logical since certain health treatments can cost thousands of dollars. The wellness visits, on the other hand, will often be routine checkups and their costs will be lower and more predictable. The accident visits will be between the health and the wellness visits in their average cost. They will probably be spread over a wider range of costs. We have estimated a second distribution of the utilization of our "High-End" \$300 deductible \$14,000 Policy Limit program.

Number of Veterinary Visits by Type and Cost Per Dog – No Deductible / \$75 / \$100 Deductible

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|--------|----------|-------|
| \$0 to \$50 | 0.00 | 0.33 | 0.10 | 0.43 |
| \$50 to \$75 | 0.01 | 0.35 | 0.12 | 0.48 |
| \$75 to \$100 | 0.01 | 0.30 | 0.25 | 0.56 |
| \$100 to \$150 | 0.01 | 0.25 | 0.18 | 0.44 |
| \$150 to \$200 | 0.02 | 0.20 | 0.16 | 0.38 |
| \$200 to \$250 | 0.02 | 0.15 | 0.14 | 0.31 |
| \$250 to \$350 | 0.02 | 0.10 | 0.07 | 0.19 |
| \$350 to \$500 | 0.02 | 0.07 | 0.03 | 0.12 |
| \$500 to \$1,000 | 0.02 | 0.03 | 0.00 | 0.05 |
| Over \$1,000 | 0.02 | 0.02 | 0.00 | 0.04 |
| Total | 0.15 | 1.80 | 1.05 | 3.00 |

Exhibit 4a

Number of Veterinary Visits by Type and Cost Per Dog – \$300 Deductible

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|--------|----------|-------|
| \$0 to \$50 | 0.00 | 0.10 | 0.10 | 0.20 |
| \$50 to \$75 | 0.01 | 0.20 | 0.12 | 0.33 |
| \$75 to \$100 | 0.01 | 0.25 | 0.25 | 0.51 |
| \$100 to \$150 | 0.01 | 0.30 | 0.18 | 0.49 |
| \$150 to \$200 | 0.02 | 0.30 | 0.16 | 0.48 |
| \$200 to \$250 | 0.02 | 0.25 | 0.14 | 0.41 |
| \$250 to \$350 | 0.02 | 0.20 | 0.07 | 0.29 |
| \$350 to \$500 | 0.02 | 0.10 | 0.03 | 0.15 |
| \$500 to \$1,000 | 0.02 | 0.05 | 0.00 | 0.07 |
| Over \$1,000 | 0.02 | 0.05 | 0.00 | 0.07 |
| Total | 0.00 | 0.10 | 0.10 | 0.20 |

Exhibit 4b



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Calculating the Pure Loss Cost

Exhibit 5 is used to estimate the total loss cost per dog per year with the assumptions of three vet visits per year and spread among the cost size bands and type of claim as shown in Exhibit 3. The result is the total pure loss cost that is shown in Exhibit 5. This exhibit shows that the average pure loss cost per dog per year is \$455.94. When this is divided by 3 visits per year, the average of \$162.71 results. This is the average cost per vet visit that was discussed earlier. Exhibit 5 estimates that \$70.24 per dog per year will be needed for accidental injuries. The health reasons will cost another \$269.95 per dog per year and the wellness reason will cost another \$115.75 per dog per year.

Annual Cost by Coverage and Size of Loss – No deductible

| Cost | Accident | Per Dog | Wellness | Total |
|------------------|----------|----------|----------|----------|
| \$0 to \$50 | \$0.00 | \$9.90 | \$4.50 | \$14.40 |
| \$50 to \$75 | \$0.62 | \$21.70 | \$15.50 | \$37.82 |
| \$75 to \$100 | \$0.87 | \$26.10 | \$21.75 | \$48.72 |
| \$100 to \$150 | \$1.25 | \$31.25 | \$22.50 | \$55.00 |
| \$150 to \$200 | \$3.50 | \$35.00 | \$17.50 | \$56.00 |
| \$200 to \$250 | \$4.50 | \$33.75 | \$13.50 | \$51.75 |
| \$250 to \$350 | \$6.00 | \$30.00 | \$12.00 | \$48.00 |
| \$350 to \$500 | \$8.50 | \$29.75 | \$8.50 | \$46.75 |
| \$500 to \$1,000 | \$15.00 | \$22.50 | \$0.00 | \$37.50 |
| Over \$1,000 | \$30.00 | \$30.00 | \$0.00 | \$60.00 |
| Total | \$70.24 | \$269.95 | \$115.75 | \$455.94 |

Exhibit 5

Estimating the Cost of a \$75 Deductible

The pure loss costs in Exhibit 5 are estimated with no deductible and no loss limit. Exhibit 5 shows the same display but with a \$75 deductible applied and a \$7,000 limit on losses. The cost of \$455.94 dropped to \$429.22 per dog per year.

Annual Cost by Coverage and Size of Loss Per Dog - \$75 deductible - \$7,000 Limit

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|----------|----------|----------|
| \$0 to \$50 | | | \$4.50 | \$4.50 |
| \$50 to \$75 | | | \$15.50 | \$15.50 |
| \$75 to \$100 | \$0.12 | \$3.60 | \$21.75 | \$25.47 |
| \$100 to \$150 | \$0.50 | \$12.50 | \$22.50 | \$35.50 |
| \$150 to \$200 | \$2.00 | \$20.00 | \$17.50 | \$39.50 |
| \$200 to \$250 | \$3.00 | \$22.50 | \$13.50 | \$39.00 |
| \$250 to \$350 | \$4.50 | \$22.50 | \$12.00 | \$39.00 |
| \$350 to \$500 | \$7.00 | \$24.50 | \$8.50 | \$40.00 |
| \$500 to \$1,000 | \$13.50 | \$20.25 | \$0.00 | \$33.75 |
| Over \$1,000 | \$78.50 | \$78.50 | \$0.00 | \$157.00 |
| Total | \$109.12 | \$204.35 | \$115.75 | \$429.22 |

Exhibit 6



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Estimating the Cost of a \$100 Deductible

North Pointe will also offer a \$100 deductible per dog per visit paired with a \$2,500 loss limit. The calculation of the pure loss cost for that product is shown in Exhibit 8. Comments made in the previous paragraph also apply to the \$100 deductible.

Annual Cost by Coverage and Size of Loss Per Dog - \$100 deductible - \$2,500 Limit

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|----------|----------|----------|
| \$0 to \$50 | | | \$4.50 | \$4.50 |
| \$50 to \$75 | | | \$15.50 | \$15.50 |
| \$75 to \$100 | | | \$21.75 | \$21.75 |
| \$100 to \$150 | \$0.25 | \$6.25 | \$22.50 | \$29.00 |
| \$150 to \$200 | \$1.50 | \$15.00 | \$17.50 | \$34.00 |
| \$200 to \$250 | \$2.50 | \$18.75 | \$13.50 | \$34.75 |
| \$250 to \$350 | \$4.00 | \$20.00 | \$12.00 | \$36.00 |
| \$350 to \$500 | \$6.50 | \$22.75 | \$8.50 | \$37.75 |
| \$500 to \$1,000 | \$13.00 | \$19.50 | \$0.00 | \$32.50 |
| Over \$1,000 | \$33.00 | \$33.00 | \$0.00 | \$66.00 |
| Total | \$60.75 | \$135.25 | \$115.75 | \$311.75 |

Exhibit 8

Estimating the Cost of a \$300 Deductible

North Pointe will also offer a \$300 deductible per dog per visit paired with a \$14,000 loss limit. The calculation of the pure loss cost for that product is shown in Exhibit 8. Comments made in the previous paragraph also apply to the \$300 deductible. Note the \$300 deductible calculation assumes a different distribution of losses to account for the expected market of this program, which is a true "high end" program as it involves a materially higher loss limit of 14,000.

Annual Cost by Coverage and Size of Loss Per Dog - \$300 deductible - \$14,000 Limit

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|----------|----------|----------|
| \$0 to \$50 | | | \$4.50 | |
| \$50 to \$75 | | | \$15.50 | |
| \$75 to \$100 | | | \$21.75 | |
| \$100 to \$150 | | | \$22.50 | |
| \$150 to \$200 | | | \$17.50 | |
| \$200 to \$250 | | | \$13.50 | |
| \$250 to \$350 | \$0.50 | \$5.00 | \$12.00 | \$7.25 |
| \$350 to \$500 | \$2.50 | \$12.50 | \$8.50 | \$18.75 |
| \$500 to \$1,000 | \$9.00 | \$22.50 | \$0.00 | \$31.50 |
| Over \$1,000 | \$144.00 | \$360.00 | \$0.00 | \$504.00 |
| Total | \$156.00 | \$400.00 | \$115.75 | \$671.75 |



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Calculating Co-Payments

North Pointe's pet insurance has 20% co-payment in addition to the per incident deductible. Exhibit 9 summarizes the pure loss costs with no deductible and with a \$75, \$100, and \$300 deductible. Exhibit 9 also shows the pure loss costs after a 20% co-payment paid by the policyholder.

Summary of Annual Pure Premium by Deductible

Per Dog - No Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|----------|----------|
| None | \$70.24 | \$269.95 | \$115.75 | \$455.94 |
| \$75 | \$109.12 | \$204.35 | \$115.75 | \$429.22 |
| \$100 | \$60.75 | \$135.25 | \$115.75 | \$311.75 |
| \$300 | \$156.00 | \$400.00 | \$115.75 | \$671.75 |

Summary of Annual Pure Premium by Deductible

Per Dog - 20% Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|----------|----------|
| None | \$56.19 | \$215.96 | \$92.60 | \$364.75 |
| \$75 | \$87.30 | \$163.48 | \$92.60 | \$343.38 |
| \$100 | \$48.60 | \$108.20 | \$92.60 | \$249.40 |
| \$300 | \$124.80 | \$320.00 | \$92.60 | \$537.40 |

Exhibit 9

The Administrative Expenses

The pure loss costs can be translated into a final premium estimate by considering the administrative expenses or loading. The estimated administrative expenses are shown in Exhibit 12.

Ratemaking Assumptions

| | |
|-----------------------------|--------|
| Allocated Loss Expense | 2.50% |
| Unallocated Loss Expense | 1.50% |
| Underwriting Expense | 20.00% |
| Marketing Expense | 15.00% |
| Profit & Contingencies | 12.50% |
| Investment Income Allowance | 0.40% |
| Permissible Loss Ratio | 52.90% |

Exhibit 12

The allocated and unallocated loss expenses are expressed as a percent of the loss component. When Exhibit 9 is "loaded" for the allocated and unallocated loss expense the results are Exhibit 10.



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Summary of Pure Premium per Dog

Loaded for Loss Adjustment Expense

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|----------|----------|
| None | \$58.44 | \$224.60 | \$96.30 | \$379.34 |
| \$75 | \$90.79 | \$170.02 | \$96.30 | \$357.11 |
| \$100 | \$50.54 | \$112.53 | \$96.30 | \$259.38 |
| \$300 | \$129.79 | \$332.80 | \$96.30 | \$558.90 |

Exhibit 10

The other expenses in Exhibit 12 are related to premium. Underwriting is 20% of premium as an example. This exhibit also shows that investment income from policyholder supplied funds .4% of the premium. The investment income is not very significant. Many premiums will be paid quarterly and the losses are very short tailed. The combination of the expenses is 47.1% (20.0 plus 15.0 plus 12.50 minus .4). This is expressed as a percent of premium and it is appropriate to divide Exhibit 10 by .529 (1 - .471) to find the indicated premiums loaded for expenses, and that is done in Exhibit 11.

Final Canine Premiums Loaded For Expenses

The premiums in Exhibit 11 are the final premium estimates for the \$75, \$100, and \$300 deductible options each with a 20% co-payment paid by the policyholder, based on the methodology above.

Summary of Final Premium per Dog by Coverage

"First Principles" - Methodology

Annual Premium - 20% Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|-----------|----------|------------|----------|
| None | \$95.55* | | \$182.05* | \$277.60 |
| \$75 | \$95.55 * | \$321.40 | \$182.05 * | \$599.00 |
| \$100 | \$95.55 * | \$212.72 | \$182.05 * | \$490.32 |
| \$300 | \$95.55 * | \$629.11 | \$182.05 * | \$906.71 |

Exhibit 11a

Summary of Final Premium per Dog by Coverage

Actual Experience – General Fire Program

Annual Premium - 20% Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|--------|----------|----------|
| None | 209.79* | | 268.67* | \$478.46 |
| \$75 | 209.79* | 482.46 | 268.67* | \$960.92 |
| \$100 | 209.79* | 299.7 | 268.67* | \$778.16 |

Exhibit 11b

This data is based on less than 1 year of activity under this program; this data is not fully credible. The \$300 Deductible \$14,000 Limit program is a new offering with no experience to date.



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

The premium estimates seen above in Exhibits 11a and 11b were considered in deriving the final premiums which follow in Exhibit 11c. We note that neither the "first principles" methodology nor the limited experience collected to date by Pets Best are fully credible. Thus, both are used in the premium determinations below.

Summary of Final Premium per Dog by Coverage

Selected Premiums

Annual Premium - 20% Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|-----------|----------|-----------|----------|
| None | \$120.00* | | \$240.00* | \$360.00 |
| \$75 | \$120.00* | \$395.00 | \$240.00* | \$755.00 |
| \$100 | \$120.00* | \$242.00 | \$240.00* | \$602.00 |
| \$300 | \$120.00* | \$588.00 | \$240.00* | \$948.00 |

*Accident Plan is at \$100 deductible, Wellness is zero deductible.

Exhibit 11c

Feline Analysis

Estimating Claim Frequency: the Feline analysis begins with an estimate of claim frequency, which aligns with the number of visits a Cat makes to the veterinarian each year. The AVMA study indicates the mean number of visits – Table A - to the veterinarian per Cat per year was:

| Year | Number of Annual Vet Visits |
|------|-----------------------------|
| 1991 | .80 |
| 1996 | .88 |
| 2001 | 1.00 |

Table A

In our rate analysis, we assumed that the number of average visits to the veterinarian per Cat per year is 1.98. Furthermore, we assumed that the distribution of vet visits per Cat per year is as shown below in Exhibit 1.

Number of Veterinary Visits per Year Per Cat

| Number | Percent |
|-----------|---------|
| None | 25.0% |
| 1 | 25.0% |
| 2 | 20.0% |
| 3 | 10.0% |
| 4 | 10.0% |
| 5 | 5.0% |
| 6 or More | 5.0% |
| Total | 100.0% |
| Average | 1.98 |

Exhibit 1



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

As with dogs, we assumed that the owners of cats who would purchase pet insurance would have more frequent visits to the vet as compared to the average pet owner. So we assumed that the number of visits to the vet per cat per year would be as shown in Exhibit 2. We assume that the average insured cat will have 2.50 visits to the vet each year.

Number of Veterinary Visits per Year by Insured Pet Owner

| Per Cat | |
|-----------|---------|
| Number | Percent |
| None | 6.0% |
| 1 | 15.0% |
| 2 | 30.0% |
| 3 | 30.0% |
| 4 | 15.0% |
| 5 | 2.0% |
| 6 or More | 2.0% |
| Total | 100.0% |
| Average | 2.50 |

Exhibit 2

Estimating Claim Severity - Cost of Claims

The AVMA study showed the average cost of a visit to the vet per Cat was as shown in Table B:

| Year | Avg. Cost of a Vet Visit |
|------|--------------------------|
| 1991 | \$44.80 |
| 1996 | \$66.60 |
| 2001 | \$92.90 |

Table B

Cost Per Veterinary Visit Per Cat

| Cost | Percent | Ave. Cost | Cost per Cat |
|------------------|---------|------------|--------------|
| \$0 to \$50 | 16.0% | \$30.00 | \$4.80 |
| \$50 to \$75 | 17.6% | \$62.00 | \$10.91 |
| \$75 to \$100 | 18.4% | \$87.00 | \$16.01 |
| \$100 to \$150 | 16.0% | \$125.00 | \$20.00 |
| \$150 to \$200 | 13.2% | \$175.00 | \$23.10 |
| \$200 to \$250 | 7.2% | \$225.00 | \$16.20 |
| \$250 to \$350 | 4.8% | \$300.00 | \$14.40 |
| \$350 to \$500 | 3.6% | \$425.00 | \$15.30 |
| \$500 to \$1,000 | 2.0% | \$750.00 | \$15.00 |
| Over \$1,000 | 1.2% | \$1,500.00 | \$18.00 |
| Total | 100.0% | | \$153.72 |

Exhibit 3



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Allocating Costs to Type of Claim

We allocated the visits to vet into cost size bands and type of exposure as we did for the dogs. The logic we used was similar. The result of this calculation is shown in Exhibit 4.

Number of Veterinary Visits by Type and Cost Per Cat – No Deductible / \$75 / \$100 Deductible

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|--------|----------|-------|
| \$0 to \$50 | 0.01 | 0.20 | 0.19 | 0.40 |
| \$50 to \$75 | 0.02 | 0.21 | 0.21 | 0.44 |
| \$75 to \$100 | 0.03 | 0.20 | 0.23 | 0.46 |
| \$100 to \$150 | 0.04 | 0.14 | 0.22 | 0.40 |
| \$150 to \$200 | 0.06 | 0.12 | 0.15 | 0.33 |
| \$200 to \$250 | 0.05 | 0.09 | 0.04 | 0.18 |
| \$250 to \$350 | 0.04 | 0.07 | 0.01 | 0.12 |
| \$350 to \$500 | 0.03 | 0.06 | 0.00 | 0.09 |
| \$500 to \$1,000 | 0.01 | 0.04 | 0.00 | 0.05 |
| Over \$1,000 | 0.01 | 0.02 | 0.00 | 0.03 |
| Total | 0.30 | 1.15 | 1.05 | 2.50 |

Exhibit 4a

Number of Veterinary Visits by Type and Cost Per Cat – \$300 Deductible

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|--------|----------|-------|
| \$0 to \$50 | 0.01 | 0.06 | 0.19 | 0.26 |
| \$50 to \$75 | 0.02 | 0.13 | 0.21 | 0.36 |
| \$75 to \$100 | 0.03 | 0.16 | 0.23 | 0.42 |
| \$100 to \$150 | 0.04 | 0.19 | 0.22 | 0.45 |
| \$150 to \$200 | 0.06 | 0.19 | 0.15 | 0.40 |
| \$200 to \$250 | 0.05 | 0.16 | 0.04 | 0.25 |
| \$250 to \$350 | 0.04 | 0.13 | 0.01 | 0.18 |
| \$350 to \$500 | 0.03 | 0.06 | 0.00 | 0.09 |
| \$500 to \$1,000 | 0.01 | 0.03 | 0.00 | 0.04 |
| Over \$1,000 | 0.01 | 0.03 | 0.00 | 0.04 |
| Total | 0.30 | 1.15 | 1.05 | 2.50 |

Exhibit 4b

Calculating the Pure Loss Cost

Exhibit 5 is used to estimate the total loss cost per cat per year with the assumptions of 2.50 vet visits per year and spread among the cost size bands and type of claim as shown in Exhibit 4. The result is the total pure loss cost that is shown in Exhibit 5.



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Annual Cost by Coverage and Size of Loss – No deductible

| Cost | Accident | Per Cat | Wellness | Total |
|------------------|----------|----------|----------|----------|
| \$0 to \$50 | \$0.30 | \$6.00 | \$5.70 | \$12.00 |
| \$50 to \$75 | \$1.24 | \$13.02 | \$13.02 | \$27.28 |
| \$75 to \$100 | \$2.61 | \$17.40 | \$20.01 | \$40.02 |
| \$100 to \$150 | \$5.00 | \$17.50 | \$27.50 | \$50.00 |
| \$150 to \$200 | \$10.50 | \$21.00 | \$26.25 | \$57.75 |
| \$200 to \$250 | \$11.25 | \$20.25 | \$9.00 | \$40.50 |
| \$250 to \$350 | \$12.00 | \$21.00 | \$3.00 | \$36.00 |
| \$350 to \$500 | \$12.75 | \$25.50 | \$0.00 | \$38.25 |
| \$500 to \$1,000 | \$7.50 | \$30.00 | \$0.00 | \$37.50 |
| Over \$1,000 | \$15.00 | \$30.00 | \$0.00 | \$45.00 |
| Total | \$78.15 | \$201.67 | \$104.48 | \$384.30 |

Exhibit 5

Estimating the Cost of a \$75 Deductible

The pure loss costs in Exhibit 5 are estimated with no deductible and no loss limit. Exhibit 5 shows the same display but with a \$75 deductible applied and a \$7,000 limit on losses. The cost of \$455.94 dropped to \$429.22 per Cat per year.

Annual Cost by Coverage and Size of Loss Per Cat - \$75 deductible - \$7,000 Limit

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|----------|----------|----------|
| \$0 to \$50 | | | \$5.70 | \$5.70 |
| \$50 to \$75 | | | \$13.02 | \$13.02 |
| \$75 to \$100 | \$0.36 | \$2.40 | \$20.01 | \$22.77 |
| \$100 to \$150 | \$2.00 | \$7.00 | \$27.50 | \$36.50 |
| \$150 to \$200 | \$6.00 | \$12.00 | \$26.25 | \$44.25 |
| \$200 to \$250 | \$7.50 | \$13.50 | \$9.00 | \$30.00 |
| \$250 to \$350 | \$9.00 | \$15.75 | \$3.00 | \$27.75 |
| \$350 to \$500 | \$10.50 | \$21.00 | \$0.00 | \$31.50 |
| \$500 to \$1,000 | \$6.75 | \$27.00 | \$0.00 | \$33.75 |
| Over \$1,000 | \$39.25 | \$78.50 | \$0.00 | \$117.75 |
| Total | \$81.36 | \$177.15 | \$104.48 | \$362.99 |

Exhibit 6

Estimating the Cost of a \$100 Deductible

North Pointe will also offer a \$100 deductible per Cat per visit paired with a \$2,500 loss limit. The calculation of the pure loss cost for that product is shown in Exhibit 8. Comments made in the previous paragraph also apply to the \$100 deductible.



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Annual Cost by Coverage and Size of Loss Per Cat - \$100 deductible - \$2,500 Limit

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|----------|----------|----------|
| \$0 to \$50 | | | \$5.70 | \$5.70 |
| \$50 to \$75 | | | \$13.02 | \$13.02 |
| \$75 to \$100 | | | \$20.01 | \$20.01 |
| \$100 to \$150 | \$1.00 | \$3.50 | \$27.50 | \$32.00 |
| \$150 to \$200 | \$4.50 | \$9.00 | \$26.25 | \$39.75 |
| \$200 to \$250 | \$6.25 | \$11.25 | \$9.00 | \$26.50 |
| \$250 to \$350 | \$8.00 | \$14.00 | \$3.00 | \$25.00 |
| \$350 to \$500 | \$9.75 | \$19.50 | \$0.00 | \$29.25 |
| \$500 to \$1,000 | \$6.50 | \$26.00 | \$0.00 | \$32.50 |
| Over \$1,000 | \$16.50 | \$33.00 | \$0.00 | \$49.50 |
| Total | \$52.50 | \$116.25 | \$104.48 | \$273.23 |

Exhibit 8

Estimating the Cost of a \$300 Deductible

North Pointe will also offer a \$300 deductible per Cat per visit paired with a \$14,000 loss limit. The calculation of the pure loss cost for that product is shown in Exhibit 8. Comments made in the previous paragraph also apply to the \$300 deductible. Note the \$300 deductible calculation assumes a different distribution of losses to account for the expected market of this program, which is a true "high end" program as it involves a materially higher loss limit of 14,000.

Annual Cost by Coverage and Size of Loss Per Cat - \$300 deductible - \$14,000 Limit

| Cost | Accident | Health | Wellness | Total |
|------------------|----------|----------|----------|----------|
| \$0 to \$50 | | | \$5.70 | |
| \$50 to \$75 | | | \$13.02 | |
| \$75 to \$100 | | | \$20.01 | |
| \$100 to \$150 | | | \$27.50 | |
| \$150 to \$200 | | | \$26.25 | |
| \$200 to \$250 | | | \$9.00 | |
| \$250 to \$350 | \$1.00 | \$3.19 | \$3.00 | \$4.44 |
| \$350 to \$500 | \$3.75 | \$7.99 | \$0.00 | \$11.74 |
| \$500 to \$1,000 | \$4.50 | \$14.38 | \$0.00 | \$18.88 |
| Over \$1,000 | \$72.00 | \$230.00 | \$0.00 | \$302.00 |
| Total | \$81.25 | \$255.56 | \$104.48 | \$441.29 |

Calculating Co-Payments

North Pointe's pet insurance has 20% co-payment in addition to the per incident deductible. Exhibit 9 summarizes the pure loss costs with no deductible and with a \$75, \$100, and \$300 deductible. Exhibit 9 also shows the pure loss costs after a 20% co-payment paid by the policyholder.



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Summary of Annual Pure Premium by Deductible

Per Cat - No Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|----------|----------|
| None | \$78.15 | \$201.67 | \$104.48 | \$384.30 |
| \$75 | \$81.36 | \$177.15 | \$104.48 | \$362.99 |
| \$100 | \$52.50 | \$116.25 | \$104.48 | \$273.23 |
| \$300 | \$81.25 | \$255.56 | \$104.48 | \$441.29 |

Summary of Annual Pure Premium by Deductible

Per Cat - 20% Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|----------|----------|
| None | \$62.52 | \$161.34 | \$83.58 | \$307.44 |
| \$75 | \$65.09 | \$141.72 | \$83.58 | \$290.39 |
| \$100 | \$42.00 | \$93.00 | \$83.58 | \$218.58 |
| \$300 | \$65.00 | \$204.44 | \$83.58 | \$353.03 |

Exhibit 9

The Administrative Expenses

The pure loss costs can be translated into a final premium estimate by considering the administrative expenses or loading. The estimated administrative expenses are shown in Exhibit 12.

Ratemaking Assumptions

| | |
|-----------------------------|--------|
| Allocated Loss Expense | 2.50% |
| Unallocated Loss Expense | 1.50% |
| Underwriting Expense | 20.00% |
| Marketing Expense | 15.00% |
| Profit & Contingencies | 12.50% |
| Investment Income Allowance | 0.40% |
| Permissible Loss Ratio | 52.90% |

Exhibit 12

The allocated and unallocated loss expenses are expressed as a percent of the loss component. When Exhibit 9 is "loaded" for the allocated and unallocated loss expense the results are Exhibit 10.



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Summary of Pure Premium per Cat

Loaded for Loss Adjustment Expense

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|----------|----------|
| None | \$65.02 | \$167.79 | \$86.93 | \$319.74 |
| \$75 | \$67.69 | \$147.39 | \$86.93 | \$302.01 |
| \$100 | \$43.68 | \$96.72 | \$86.93 | \$227.33 |
| \$300 | \$67.60 | \$212.62 | \$86.93 | \$367.15 |

Exhibit 10

Final Feline Premiums Loaded For Expenses

The premiums in Exhibit 11 are the final premium estimates for the \$75, \$100, and \$300 deductible options each with a 20% co-payment paid by the policyholder.

Summary of Final Premium per Cat by Coverage

"First Principles" - Methodology

Annual Premium - 20% Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|-----------|----------|
| None | \$82.57* | | \$164.32* | \$246.89 |
| \$75 | \$82.57* | \$278.62 | \$164.32* | \$525.51 |
| \$100 | \$82.57* | \$182.84 | \$164.32* | \$429.73 |
| \$300 | \$82.57* | \$401.93 | \$164.32* | \$648.82 |

Exhibit 11a

Summary of Final Premium per Cat by Coverage

Actual Experience – General Fire Program

Annual Premium - 20% Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|--------|----------|----------|
| None | 163.90* | | 209.90* | \$373.80 |
| \$75 | 163.90* | 376.92 | 209.90* | \$750.72 |
| \$100 | 163.90* | 234.14 | 209.90* | \$607.94 |

Exhibit 11b

This data is based on less than 1 year of activity under this program; this data is not fully credible. The \$300 Deductible \$14,000 Limit program is a new offering with no experience to date.

The premium estimates seen above in Exhibits 11a and 11b were considered in deriving the final premiums which follow in Exhibit 11c. We note that neither the "first principles" methodology nor the limited experience collected to date by Pets Best are fully credible. Thus, both are used in the premium determinations below.



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

Summary of Final Premium per Cat by Coverage

Selected Premiums

Annual Premium - 20% Co-payment

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|-----------|----------|
| None | \$88.80* | | \$240.00* | \$328.80 |
| \$75 | \$88.80* | \$289.00 | \$240.00* | \$617.80 |
| \$100 | \$88.80* | \$177.00 | \$240.00* | \$505.80 |
| \$300 | \$88.80* | \$420.00 | \$240.00* | \$748.80 |

*Accident Plan is at \$100 deductible, Wellness is zero deductible.

Exhibit 11c

Other Rating Parameters

Like other insurance products, pet insurance has rating parameters that are used to distinguish the loss potential of one segment of the pet population from another. The following is a summary of other rating parameters.

Dog or Cat Age: As animal age, their susceptibility to health problems increases. The rate relativity curve is used to adjust premium to recognize this increased exposure.

Breed of Animal Some breeds of cats and dogs are more vulnerable to genetic disorder. The breed rate relativity factors will account for this. The life expectancy of various breeds and the health risks of each are usually well documented in veterinary journals.

Age

North Pointe will use a rate relativity curve that reflects the increase loss potential as a pet becomes older. Such age relativity curves are common to this insurance product. The rate relativity curve is shown in Exhibit 22.

Rate Relativity by Pet Age

| Pet Age | Dog | Cat |
|---------|------|------|
| 0 | 1.00 | 1.00 |
| 1 | 1.05 | 1.04 |
| 2 | 1.06 | 1.05 |
| 3 | 1.07 | 1.06 |
| 4 | 1.08 | 1.07 |
| 5 | 1.14 | 1.12 |
| 6 | 1.18 | 1.14 |
| 7 | 1.22 | 1.18 |
| 8 | 1.24 | 1.19 |
| 9 | 1.29 | 1.25 |
| 10 | 1.33 | 1.27 |
| 11 | 1.37 | 1.29 |
| 12 | 1.41 | 1.32 |
| 13 | 1.45 | 1.36 |
| 14 | 1.48 | 1.38 |
| 15 | 1.53 | 1.43 |



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

| | | |
|----|------|------|
| 16 | 1.57 | 1.46 |
| 17 | 1.61 | 1.49 |
| 18 | 1.64 | 1.51 |
| 19 | 1.67 | 1.54 |
| 20 | 1.70 | 1.56 |

Exhibit 22

The relativity of 1.00 reflects a pet that is not 1 year old.

Breed of animal

The breed of animal factors is used by North Pointe to recognize that some breeds of dogs are more fragile than others and more susceptible to congenital defects. The breed factors recognize this increased loss potential and are shown below:

| | | | |
|----------------------------------|------|---------------------------|------|
| Afghan Hound | 1.10 | German Shepherd | 1.10 |
| American Bandogge Mastiff | 1.10 | Golden Retriever | 1.10 |
| American Black and Tan Coonhound | 1.10 | Great Dane | 1.10 |
| American Blue Gascon Hound | 1.10 | Great Pyrenees | 1.10 |
| American Bulldog | 1.10 | Greater Swiss Mountain | 1.10 |
| American Cocker Spaniel | 1.10 | Irish Wolfhound | 1.10 |
| American Mastiff | 1.10 | Italian Bulldogge | 1.10 |
| American Mastiff (Panja) | 1.10 | Mastiff | 1.10 |
| Belgian Mastiff | 1.10 | Nebolish Mastiff | 1.10 |
| Berger Des Pyrenees | 1.10 | Neopolitan Mastiff | 1.10 |
| Bernese Mountain Dog | 1.10 | Newfoundland | 1.10 |
| Bloodhound | 1.10 | Old English Mastiff | 1.10 |
| Borzoi | 1.10 | Old English Sheepdog | 1.10 |
| Boxer | 1.10 | Olde Boston Bulldogge | 1.10 |
| Bull Boxer | 1.10 | Olde English Bulldogge | 1.10 |
| Bulldog | 1.10 | Olde Victorian Bulldogge | 1.10 |
| Bullmastiff | 1.10 | Perro De Presa Canario | 1.10 |
| Canary Dog | 1.10 | Pyrenean Mastiff | 1.10 |
| Chow Chow | 1.10 | Pyrenean Mountain Dog | 1.10 |
| Cocker Spaniel | 1.10 | Roman Rottweiler | 1.10 |
| Coonhound-Black & Tan | 1.10 | Rottweiler | 1.10 |
| Coonhound-Blue Tick | 1.10 | Russian Hound | 1.10 |
| Coonhound-Redbone | 1.10 | Russian Wolfhound | 1.10 |
| Dachshund | 1.10 | Saint Bernard | 1.10 |
| Doberman Pinscher | 1.10 | Scottish Deerhound | 1.10 |
| English Bulldog | 1.20 | Shar Pei | 1.10 |
| English Cocker Spaniel | 1.10 | Spanish Bulldog | 1.10 |
| French Bulldog | 1.10 | Spanish Mastiff | 1.10 |
| French Mastiff | 1.10 | Tibetan Mastiff | 1.10 |
| | | Treeing Walker Coon Hound | 1.10 |

The Fixed Premium Option

One of the impediments to selling pet insurance is the concern on the part of policyholders is that as the dog or cat becomes older, its health needs increase. This concern is coupled with the belief that premiums/rates will increase significantly as health problems emerge.



Rate Filing Memorandum

Personal Inland Marine

(For use with form NP 11 62 04 07)

North Pointe will offer a Fixed Premium Option to the insurance product. This is an optional policy feature. With this option, North Pointe will agree to hold premiums level for a policyholder until the dog reaches an age of 8 years, or a cat reaches an age of 12 years, after which the provision expires. There are certain conditions placed upon the policyholder in order for this provision to remain in effect until the 8 or 12 year expirations for dogs or cats.

The policyholder will pay an additional, additive charge or premium each month that the provision remains in effect. The additive premium per pet per month is \$1.00. The Fixed Premium Option will initially be rated using the rate appropriate for the pet at the time when the option was purchased.

As with other insurance coverages, it is our expectation and experience that actual loss costs for this pet insurance program will vary between concentrated metropolitan regions and sparsely populated rural areas. These differences are attributable to cost of living differences, attitudes regarding insurance utilization among the population as well others. Thus, we will be utilizing the following geographic rating factors:

Geographic Rating Factors

| Geographic Area | | | | | Region Factor | Metro Factor | Rate Factor |
|-----------------|----------|-----------|----------|-----|---------------|--------------|-------------|
| All other | Arkansas | Southeast | Rural | 97% | | 100% | 0.97 |
| Little Rock | Arkansas | Southeast | Suburban | 97% | | 100% | 0.97 |



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

Canine Base Rates

| Deductible | Accident | Health | Wellness | Total |
|------------|-----------|----------|-----------|----------|
| None | \$120.00* | | \$240.00* | \$360.00 |
| \$75 | \$120.00* | \$395.00 | \$240.00* | \$755.00 |
| \$100 | \$120.00* | \$242.00 | \$240.00* | \$602.00 |
| \$300 | \$120.00* | \$588.00 | \$240.00* | \$948.00 |

Feline Base Rates

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|-----------|----------|
| None | \$88.80* | | \$240.00* | \$328.80 |
| \$75 | \$88.80* | \$289.00 | \$240.00* | \$617.80 |
| \$100 | \$88.80* | \$177.00 | \$240.00* | \$505.80 |
| \$300 | \$88.80* | \$420.00 | \$240.00* | \$748.80 |

Age Relativities

| Pet Age | Dog | Cat |
|---------|------|------|
| 0 | 1.00 | 1.00 |
| 1 | 1.05 | 1.04 |
| 2 | 1.06 | 1.05 |
| 3 | 1.07 | 1.06 |
| 4 | 1.08 | 1.07 |
| 5 | 1.14 | 1.12 |
| 6 | 1.18 | 1.14 |
| 7 | 1.22 | 1.18 |
| 8 | 1.24 | 1.19 |
| 9 | 1.29 | 1.25 |
| 10 | 1.33 | 1.27 |
| 11 | 1.37 | 1.29 |
| 12 | 1.41 | 1.32 |
| 13 | 1.45 | 1.36 |
| 14 | 1.48 | 1.38 |
| 15 | 1.53 | 1.43 |
| 16 | 1.57 | 1.46 |
| 17 | 1.61 | 1.49 |
| 18 | 1.64 | 1.51 |
| 19 | 1.67 | 1.54 |
| 20 | 1.70 | 1.56 |



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

Canine Breed Relativities

| | | | |
|----------------------------------|------|---------------------------|------|
| Afghan Hound | 1.10 | German Shepherd | 1.10 |
| American Bandogge Mastiff | 1.10 | Golden Retriever | 1.10 |
| American Black and Tan Coonhound | 1.10 | Great Dane | 1.10 |
| American Blue Gascon Hound | 1.10 | Great Pyrenees | 1.10 |
| American Bulldog | 1.10 | Greater Swiss Mountain | 1.10 |
| American Cocker Spaniel | 1.10 | Irish Wolfhound | 1.10 |
| American Mastiff | 1.10 | Italian Bulldogge | 1.10 |
| American Mastiff (Panja) | 1.10 | Mastiff | 1.10 |
| Belgian Mastiff | 1.10 | Nebolish Mastiff | 1.10 |
| Berger Des Pyrenees | 1.10 | Neopolitan Mastiff | 1.10 |
| Bernese Mountain Dog | 1.10 | Newfoundland | 1.10 |
| Bloodhound | 1.10 | Old English Mastiff | 1.10 |
| Borzoi | 1.10 | Old English Sheepdog | 1.10 |
| Boxer | 1.10 | Olde Boston Bulldogge | 1.10 |
| Bull Boxer | 1.10 | Olde English Bulldogge | 1.10 |
| Bulldog | 1.10 | Olde Victorian Bulldogge | 1.10 |
| Bullmastiff | 1.10 | Perro De Presa Canario | 1.10 |
| Canary Dog | 1.10 | Pyrenean Mastiff | 1.10 |
| Chow Chow | 1.10 | Pyrenean Mountain Dog | 1.10 |
| Cocker Spaniel | 1.10 | Roman Rottweiler | 1.10 |
| Coonhound-Black & Tan | 1.10 | Rottweiler | 1.10 |
| Coonhound-Blue Tick | 1.10 | Russian Hound | 1.10 |
| Coonhound-Redbone | 1.10 | Russian Wolfhound | 1.10 |
| Dachshund | 1.10 | Saint Bernard | 1.10 |
| Doberman Pinscher | 1.10 | Scottish Deerhound | 1.10 |
| English Bulldog | 1.20 | Shar Pei | 1.10 |
| English Cocker Spaniel | 1.10 | Spanish Bulldog | 1.10 |
| French Bulldog | 1.10 | Spanish Mastiff | 1.10 |
| French Mastiff | 1.10 | Tibetan Mastiff | 1.10 |
| | | Treeing Walker Coon Hound | 1.10 |

Geographic Relativities

| Geographic Area | | | | Region Factor | Metro Factor | Rate Factor |
|-----------------|----------|-----------|----------|---------------|--------------|-------------|
| All other | Arkansas | Southeast | Rural | 97% | 100% | 0.97 |
| Little Rock | Arkansas | Southeast | Suburban | 97% | 100% | 0.97 |



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

Policyholder Discounts

General Credit Provisions Applicable to All Expense Reduction

- Expense Reduction Credits offered by the Company will be reviewed from time to time and may be discontinued or adjusted based upon aggregate experience generated by the policies that have qualified for the applicable Expense Reduction Credit. The Company shall provide policyholders with thirty (30) days advance written notice of any discontinuation or modification in Expense Reduction Credit.
- Expense Reduction Credits in this section apply only to the Pets Premier, Pets First and Pets Basic Plans and do not apply to the BestWellness or Accidental Injury Only Plans.
- Reclassification of any a member upon termination of membership to an individual policy, from any Group receiving an Expense Reduction Credit member, may only occur at policy renewal.
- Any Expense Reduction Credits in this section may be combined, but are subject to a maximum total combined discount per pet.

Maximum Combined Expense Reduction Credit of : .800

Multiple Pets Credit

In the event that two or more pets are enrolled on a single policy the Multiple Pets Expense Reduction Credit will be applied.

The Multiple Pets Expense Reduction Credits are as follows:

| | |
|-----------------|------|
| 1 pet: | 1.00 |
| 2 to 3 pets: | .930 |
| 4 to 6 pets: | .880 |
| 7 or more pets: | .850 |

The Multiple Pets Expense Reduction Credit will be available for any combination of two or more canine or feline pets insured on the same policy. If the number of qualifying pets changes during a policy term, then the applicable Expense Reduction Credit for the number of qualifying pets as of the date of change will be applied.

Service Pets Credit

The Company defines Service Pets as pets that are regularly used in service capacities such as hearing ear, seeing eye, police and rescue dogs or therapy pets that are certified as such by a recognized association or governmental entity. This Expense Reduction Credit is based on reduced acquisition costs and a single entry point to a large number of pets

Service Pets Expense Reduction Credit: .900

Premium Credit for Spayed or Neutered Pets – BestWellness Plans

The BestWellness Plan rates as shown in the rate pages are flat rates and are not subject to modification, except that the premiums will be reduced if, on the effective date of the policy, a pet (cat or dog) is already spayed or neutered. This credit applies irrespective of any other credits applied, and is not subject to the Maximum Combined Expense Reduction Credit provision.

The per policy term (12 months) premium credit is: \$36.00

Web Link Partner Credit

The Company has available an Expense Reduction Credit to policyholders who are the customers or employees of qualifying Web Link Partners. Web Link Partners are defined as businesses that operate in relation to canines and/or felines and will place a web link to us on their web site. The Web Link Partner Expense Reduction Credit is based upon reduced marketing expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative marketing.



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

Web Link Partner Expense Reduction Credit: .950

Affinity Groups and Strategic Educational and Promotional Providers Credit

The Company has available an Expense Reduction Credit to members of Affinity Groups and Strategic Educational and Promotional Providers. The Affinity Groups Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative advertising

- The Affinity Group must have a specific definition and membership requirements.
- The Affinity Group must endorse or recommend and sponsor the Company's pet insurance program.
- There must be a written contractual arrangement between the Company and the Affinity Group.
- Membership in the Affinity Group entitles members to the group Expense Reduction Credit.

Affinity Groups Expense Reduction Credit: .900

Strategic Educational and Promotional Partners are defined as cooperation between the Company and another firm or party that is memorialized by a written agreement, such as veterinary suppliers, schools, trainers, breeders and others to educate and promote public awareness of the benefits of pet insurance in general. Membership in the Group entitles members to the group Expense Reduction Credit. This Expense Reduction Credit is based on reduced acquisition costs based on a single entry point to a large number of pets.

Strategic Educational and Promotional Partners Reduction Credit .850

Annual Premium Payment Credit

The Company has available an expense reduction credit to be applied to policies in which the policyholder chooses to pay the full policy term premium (12 months) at inception or renewal. The Annual Premium Payment Credit is based on the Company's desire to pass the discount of lower credit card transaction fees on to the Policyholder.

Annual Premium Payment Credit: .930

Staff Employed by an Animal Shelter or Humane Society and Pet Owner Adoption Credit

The Company has available an Expense Reduction Credit to animal shelter or humane society staff members, while they are employed at an animal shelter or humane society. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment.

The Animal Shelter or Humane Society Staff Expense Reduction Credit: .900

The Company also makes available an Expense Reduction Credit for pets adopted from a Humane Society or Animal Shelter. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment

The Animal Shelter or Humane Society Pet Owner Adoption Expense Reduction Credit: .900

Corporate Group Benefit Programs Credit

The Company has available an Expense Reduction Credit to employees of employers who offer pet insurance as part of their Corporate Group Benefit Program. The Expense Reduction Credit is based upon reduced underwriting expenses that will accrue from highly efficient enrollment.

The Corporate Group Benefit Expense Reduction Credit is: .900



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

Fixed Premium Option

General Rules

- The premiums for pets insured under the Fixed Premium Option are fixed at the time the option is made effective and will not be subject to change until a dog reaches eight (8) years of age or a cat reaches twelve (12) years of age, except in certain circumstances explained below.
- Pets are eligible for this option only through the policy period in which a dog reaches its eighth (8th) birthday or a cat reaches its twelfth (12th) birthday. Policy premiums for pets subsequent to this expiration will be calculated based upon prevailing rates, rate modifications and rules in effect as of the renewal date.
- The purchase of this option does not guarantee that coverage will be renewed at each policy renewal.
- If we file any plan revisions that would result in a premium lower than the fixed premium under this option, then the subject pets will receive the lower premium that results from the revision upon the next policy renewal.
- This option is not available for use in conjunction with the BestWellness or Accidental Injury Only Plans.
- The Fixed Premium Option is available at the discretion of the Company and may be modified or discontinued at any time with 30 days written notice. Any modifications or discontinuations will not affect any fixed rate policies continuously in force.

Upgrades or Downgrades to Coverage Plan

- In the event of a coverage plan upgrade subsequent to the attachment of this option, this option will automatically transfer to the upgraded policy. The premium for the subject pets will be recalculated based upon prevailing rates, rate factors and rules in effect at the time of the upgrade, except that the Age rating factor that was applied on the date the Fixed Premium option was originally applied to the subject pets will remain in effect at the time an upgrade is made.
- If at any time after attachment of this option a downgrade of coverage occurs relative to the subject pets, this option will not transfer to the downgraded policy. The premium for the subject pets will be recalculated based upon prevailing rates, rate factors and rules in effect at the time of the downgrade. In the event of such a decrease or downgrade, and provided the Company is still offering a Fixed Premium option at the time of the plan downgrade, the option may be attached and rated subject to the rates, rate modifications and rules of the prevailing Fixed Premium option offered at the time of the downgrade.

Subject to Geographic Rate Factors

In the event a policyholder relocates, upon the next policy renewal subsequent to the relocation, the policy premiums will be recalculated and fixed based upon the Geographic factors that apply at the new location, and subject to applicable state rates.

Addition of New Pets

Newly added pets will be subject to the rates, rating factors and rules in existence at the time they are added to the policy. If the Company is still offering the Fixed Premium option at the time a new pet is added to the policy, and this option is selected, then the premium for any newly added pets will be based upon the prevailing rates, rate modifications, and rules then in effect at the time the new pet is added to the policy.

Rating Rules

(For use with form NP 11 62 04 07)

Table of Contents

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| Rates..... | 1 |
| Rating Formula..... | 1 |
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| Service Pets Credit..... | 2 |
| Service Pets Expense Reduction Credit..... | 2 |
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| Affinity Groups Credit..... | 3 |
| Affinity Groups Expense Reduction Credit..... | 3 |
| Other Strategic Educational and Promotional Providers Credit..... | 3 |
| Associate Provider Veterinary Clinics Credit..... | Error! Bookmark not defined. |
| Fixed Premium Option | 4 |

Eligibility Requirements

Pets First Plans

Eligibility for enrollment in the Pets First, Pets Premier or Pets Basic Plans is primarily determined based upon the health history of a pet that is provided by the applicant at the time of enrollment. Certain medical conditions may disqualify a pet for coverage under a plan, or be subject to certain coverage limitations as specified in the policy. Refer to the Company Policies and Procedures section for the lists of medical conditions.

Pets Premier Plans

Pets Basic Plans

Accidental Injury Only Plans

Any pet is eligible for the Accidental Injury Only Plan. The BestWellness Plan must be purchased in conjunction with the Pets First, Pets Premier or Pets Basic Plan. The BestWellness Plan is not available in conjunction with the Accidental Injury Only Plan.

BestWellness Option

Rates

Refer to the rate pages for applicable rates.

Rating Formula

Pets First Plans

The base rate is multiplied by applicable age factors, breed factors, geographic factors and discount factors. These calculations are made separately, and the results are deducted or added to the base rate, subject to the Maximum Combined Expense Reduction provision.

Pets Premier Plans

Refer to additional rating rules and provisions below.

Pets Basic Plans

Rating Rules

(For use with form NP 11 62 04 07)

Expense Reduction Credits

General Credit Provisions Applicable to All Expense Reduction

- Expense Reduction Credits offered by the Company will be reviewed from time to time and may be discontinued or adjusted based upon aggregate experience generated by the policies that have qualified for the applicable Expense Reduction Credit. The Company shall provide policyholders with thirty (30) days advance written notice of any discontinuation or modification in Expense Reduction Credit.
- Expense Reduction Credits in this section apply only to the Pets Premier, Pets First and Pets Basic Plans and do not apply to the BestWellness or Accidental Injury Only Plans.
- Reclassification of any a member upon termination of membership to an individual policy, from any Group receiving an Expense Reduction Credit member, may only occur at policy renewal.
- Any Expense Reduction Credits in this section may be combined, but are subject to a maximum total combined discount per pet.

Maximum Combined Expense Reduction Credit of : .800

Multiple Pets Credit

In the event that two or more pets are enrolled on a single policy the Multiple Pets Expense Reduction Credit will be applied.

The Multiple Pets Expense Reduction Credits are as follows:

| | |
|-----------------|------|
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The BestWellness Plan rates as shown in the rate pages are flat rates and are not subject to modification, except that the premiums will be reduced if, on the effective date of the policy, a pet (cat or dog) is already spayed or neutered. This credit applies irrespective of any other credits applied, and is not subject to the Maximum Combined Expense Reduction Credit provision.

The per policy term (12 months) premium credit is: \$36.00

Rating Rules

(For use with form NP 11 62 04 07)

| | | |
|---|--|--|
| Web Link Partner Credit | <p>The Company has available an Expense Reduction Credit to policyholders who are the customers or employees of qualifying Web Link Partners. Web Link Partners are defined as businesses that operate in relation to canines and/or felines and will place a web link to us on their web site. The Web Link Partner Expense Reduction Credit is based upon reduced marketing expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative marketing.</p> | Web Link Partner Expense Reduction Credit: .950 |
| Affinity Groups and Strategic Educational and Promotional Providers Credit | <p>The Company has available an Expense Reduction Credit to members of Affinity Groups and Strategic Educational and Promotional Providers. The Affinity Groups Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative advertising</p> <ul style="list-style-type: none">➤ The Affinity Group must have a specific definition and membership requirements.➤ The Affinity Group must endorse or recommend and sponsor the Company's pet insurance program.➤ There must be a written contractual arrangement between the Company and the Affinity Group.➤ Membership in the Affinity Group entitles members to the group Expense Reduction Credit. | <p>Affinity Groups Expense Reduction Credit: .900</p> <p>Strategic Educational and Promotional Partners are defined as cooperation between the Company and another firm or party that is memorialized by a written agreement, such as veterinary suppliers, schools, trainers, breeders and others to educate and promote public awareness of the benefits of pet insurance in general. Membership in the Group entitles members to the group Expense Reduction Credit. This Expense Reduction Credit is based on reduced acquisition costs based on a single entry point to a large number of pets.</p> <p>Strategic Educational and Promotional Partners Reduction Credit .850</p> |
| Annual Premium Payment Credit | <p>The Company has available an expense reduction credit to be applied to policies in which the policyholder chooses to pay the full policy term premium (12 months) at inception or renewal. The Annual Premium Payment Credit is based on the Company's desire to pass the discount of lower credit card transaction fees on to the Policyholder.</p> | <p>Annual Premium Payment Credit: .930</p> |
| Staff Employed by an Animal Shelter or Humane Society and Pet Owner Adoption Credit | <p>The Company has available an Expense Reduction Credit to animal shelter or humane society staff members, while they are employed at an animal shelter or humane society. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment.</p> | <p>The Animal Shelter or Humane Society Staff Expense Reduction Credit: .900</p> <p>The Company also makes available an Expense Reduction Credit for pets adopted from a Humane Society or Animal Shelter. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment</p> <p>The Animal Shelter or Humane Society Pet Owner Adoption Expense Reduction Credit: .900</p> |
| Corporate Group Benefit Programs Credit | <p>The Company has available an Expense Reduction Credit to employees of employers who offer pet insurance as part of their Corporate Group Benefit Program. The Expense Reduction Credit is based upon reduced underwriting expenses that will accrue from highly efficient enrollment.</p> | <p>The Corporate Group Benefit Expense Reduction Credit is: .900</p> |

Rating Rules

(For use with form NP 11 62 04 07)

Fixed Premium Option

General Rules

- The premiums for pets insured under the Fixed Premium Option are fixed at the time the option is made effective and will not be subject to change until a dog reaches eight (8) years of age or a cat reaches twelve (12) years of age, except in certain circumstances explained below.
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- The purchase of this option does not guarantee that coverage will be renewed at each policy renewal.
- If we file any plan revisions that would result in a premium lower than the fixed premium under this option, then the subject pets will receive the lower premium that results from the revision upon the next policy renewal.
- This option is not available for use in conjunction with the BestWellness or Accidental Injury Only Plans.
- The Fixed Premium Option is available at the discretion of the Company and may be modified or discontinued at any time with 30 days written notice. Any modifications or discontinuations will not affect any fixed rate policies continuously in force.

Upgrades or Downgrades to Coverage Plan

- In the event of a coverage plan upgrade subsequent to the attachment of this option, this option will automatically transfer to the upgraded policy. The premium for the subject pets will be recalculated based upon prevailing rates, rate factors and rules in effect at the time of the upgrade, except that the Age rating factor that was applied on the date the Fixed Premium option was originally applied to the subject pets will remain in effect at the time an upgrade is made.
- If at any time after attachment of this option a downgrade of coverage occurs relative to the subject pets, this option will not transfer to the downgraded policy. The premium for the subject pets will be recalculated based upon prevailing rates, rate factors and rules in effect at the time of the downgrade. In the event of such a decrease or downgrade, and provided the Company is still offering a Fixed Premium option at the time of the plan downgrade, the option may be attached and rated subject to the rates, rate modifications and rules of the prevailing Fixed Premium option offered at the time of the downgrade.

Subject to Geographic Rate Factors

In the event a policyholder relocates, upon the next policy renewal subsequent to the relocation, the policy premiums will be recalculated and fixed based upon the Geographic factors that apply at the new location, and subject to applicable state rates.

Addition of New Pets

Newly added pets will be subject to the rates, rating factors and rules in existence at the time they are added to the policy. If the Company is still offering the Fixed Premium option at the time a new pet is added to the policy, and this option is selected, then the premium for any newly added pets will be based upon the prevailing rates, rate modifications, and rules then in effect at the time the new pet is added to the policy.

Supporting Document Schedules

Review Status:

Satisfied -Name: TRANSMITTAL

Filed

08-15-2007

Comments:

Attachment:

industry_rates_PCtransDoc_intelligent.pdf

Property & Casualty Transmittal Document

| | | |
|---|---|--|
| 1. Reserved for Insurance Dept. Use Only | 2. Insurance Department Use only | |
| | a. Date the filing is received: | |
| | b. Analyst: | |
| | c. Disposition: | |
| | d. Date of disposition of the filing: | |
| | e. Effective date of filing: | |
| | New Business | |
| | Renewal Business | |
| | f. State Filing #: | |
| | g. SERFF Filing #: | |
| h. Subject Codes | | |

| | | | | | |
|---------------------------|-----------------|---------------|---------------|----------------|---------------------|
| 3. Group Name | | | | | Group NAIC # |
| | | | | | |
| 4. Company Name(s) | Domicile | NAIC # | FEIN # | State # | |
| | | | | | |
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| | | | | | |
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| | | | | | |

| | |
|-----------------------------------|--|
| 5. Company Tracking Number | |
|-----------------------------------|--|

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

| | | | | |
|---|--------------|---------------------|--------------|---------------|
| 6. Name and address | Title | Telephone #s | FAX # | e-mail |
| | | | | |
| | | | | |
| 7. Signature of authorized filer | | | | |
| 8. Please print name of authorized filer | | | | |

Filing information (see General Instructions for descriptions of these fields)

| | | | | |
|---|---|--|----------|--|
| 9. Type of Insurance (TOI) | | | | |
| 10. Sub-Type of Insurance (Sub-TOI) | | | | |
| 11. State Specific Product code(s)(if applicable)[See State Specific Requirements] | | | | |
| 12. Company Program Title (Marketing title) | | | | |
| 13. Filing Type | <input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) | | | |
| 14. Effective Date(s) Requested | New: | | Renewal: | |
| 15. Reference Filing? | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| 16. Reference Organization (if applicable) | | | | |
| 17. Reference Organization # & Title | | | | |
| 18. Company's Date of Filing | | | | |
| 19. Status of filing in domicile | <input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved | | | |

Property & Casualty Transmittal Document—

| | | |
|-----|--|--|
| 20. | This filing transmittal is part of Company Tracking # | |
| 21. | Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text] | |

| | |
|---|---|
| 22. | Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below] |
| <div style="height: 300px;"></div> | |
| Refer to each state's checklist for additional state specific requirements or instructions on calculating fees. | |

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

| | | | | | |
|-----------|---|--|--|--|---|
| 1. | This filing transmittal is part of Company Tracking # | | | | |
| 2. | This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable) | | | | |
| 3. | Form Name /Description/Synopsis | Form # Include edition date | Replacement Or withdrawn? | If replacement, give form # it replaces | Previous state filing number, if required by state |
| 01 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 02 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 03 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 04 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 05 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 06 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 07 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 08 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 09 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 10 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |

PC FFS-1

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

| | | |
|-----------|--|--|
| 1. | This filing transmittal is part of Company Tracking # | |
|-----------|--|--|

| | | |
|-----------|---|--|
| 2. | This filing corresponds to form filing number (Company tracking number of form filing, if applicable) | |
|-----------|---|--|

☐ Rate Increase ☐ Rate Decrease ☐ Rate Neutral (0%)

| | | |
|-----------|--|--|
| 3. | Filing Method (Prior Approval, File & Use, Flex Band, etc.) | |
|-----------|--|--|

| | |
|------------|---|
| 4a. | Rate Change by Company (As Proposed) |
|------------|---|

| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
|--------------|--|-----------------------|---|--|----------------------------------|-----------------------------------|-----------------------------------|
| | | | | | | | |
| | | | | | | | |

| | |
|------------|--|
| 4b. | Rate Change by Company (As Accepted) For State Use Only |
|------------|--|

| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change | Minimum % Change |
|--------------|--|-----------------------|---|--|----------------------------------|------------------|------------------|
| | | | | | | | |
| | | | | | | | |

| | |
|-----------|--|
| 5. | Overall Rate Information (Complete for Multiple Company Filings only) |
|-----------|--|

| | | COMPANY USE | STATE USE |
|-----------|--|-------------|-----------|
| 5a | Overall percentage rate indication (when applicable) | | |
| 5b | Overall percentage rate impact for this filing | | |
| 5c | Effect of Rate Filing – Written premium change for this program | | |
| 5d | Effect of Rate Filing – Number of policyholders affected | | |

| | | |
|-----------|---|--|
| 6. | Overall percentage of last rate revision | |
|-----------|---|--|

| | | |
|-----------|---|--|
| 7. | Effective Date of last rate revision | |
|-----------|---|--|

| | | |
|-----------|---|--|
| 8. | Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.) | |
|-----------|---|--|

| 9. | Rule # or Page # Submitted for Review | Replacement or withdrawn? | Previous state filing number, if required by state |
|-----------|--|---|---|
| 01 | | [] New [] Replacement [] Withdrawn | |
| 02 | | [] New [] Replacement [] Withdrawn | |
| 03 | | [] New [] Replacement [] Withdrawn | |

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

| Original Date: | Schedule | Document Name | Replaced Date | Attach Document |
|------------------|---------------|---------------|---------------|---|
| No original date | Rate and Rule | Rates Pages | 08-09-2007 | PB Rating Memo - 7-18 AR.pdf |
| No original date | Rate and Rule | RULES | 08-09-2007 | North Pointe Plan Rating Rules 05-15-07.pdf |



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

Canine Base Rates

| Deductible | Accident | Health | Wellness | Total |
|------------|-----------|----------|-----------|----------|
| None | \$120.00* | | \$240.00* | \$360.00 |
| \$75 | \$120.00* | \$395.00 | \$240.00* | \$755.00 |
| \$100 | \$120.00* | \$242.00 | \$240.00* | \$602.00 |
| \$300 | \$120.00* | \$588.00 | \$240.00* | \$948.00 |

Feline Base Rates

| Deductible | Accident | Health | Wellness | Total |
|------------|----------|----------|-----------|----------|
| None | \$88.80* | | \$240.00* | \$328.80 |
| \$75 | \$88.80* | \$289.00 | \$240.00* | \$617.80 |
| \$100 | \$88.80* | \$177.00 | \$240.00* | \$505.80 |
| \$300 | \$88.80* | \$420.00 | \$240.00* | \$748.80 |

Age Relativities

| Pet Age | Dog | Cat |
|---------|------|------|
| 0 | 1.00 | 1.00 |
| 1 | 1.05 | 1.04 |
| 2 | 1.06 | 1.05 |
| 3 | 1.07 | 1.06 |
| 4 | 1.08 | 1.07 |
| 5 | 1.14 | 1.12 |
| 6 | 1.18 | 1.14 |
| 7 | 1.22 | 1.18 |
| 8 | 1.24 | 1.19 |
| 9 | 1.29 | 1.25 |
| 10 | 1.33 | 1.27 |
| 11 | 1.37 | 1.29 |
| 12 | 1.41 | 1.32 |
| 13 | 1.45 | 1.36 |
| 14 | 1.48 | 1.38 |
| 15 | 1.53 | 1.43 |
| 16 | 1.57 | 1.46 |
| 17 | 1.61 | 1.49 |
| 18 | 1.64 | 1.51 |
| 19 | 1.67 | 1.54 |
| 20 | 1.70 | 1.56 |



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

Canine Breed Relativities

| | | | |
|----------------------------------|------|---------------------------|------|
| Afghan Hound | 1.10 | German Shepherd | 1.10 |
| American Bandogge Mastiff | 1.10 | Golden Retriever | 1.10 |
| American Black and Tan Coonhound | 1.10 | Great Dane | 1.10 |
| American Blue Gascon Hound | 1.10 | Great Pyrenees | 1.10 |
| American Bulldog | 1.10 | Greater Swiss Mountain | 1.10 |
| American Cocker Spaniel | 1.10 | Irish Wolfhound | 1.10 |
| American Mastiff | 1.10 | Italian Bulldogge | 1.10 |
| American Mastiff (Panja) | 1.10 | Mastiff | 1.10 |
| Belgian Mastiff | 1.10 | Nebolish Mastiff | 1.10 |
| Berger Des Pyrenees | 1.10 | Neopolitan Mastiff | 1.10 |
| Bernese Mountain Dog | 1.10 | Newfoundland | 1.10 |
| Bloodhound | 1.10 | Old English Mastiff | 1.10 |
| Borzoi | 1.10 | Old English Sheepdog | 1.10 |
| Boxer | 1.10 | Olde Boston Bulldogge | 1.10 |
| Bull Boxer | 1.10 | Olde English Bulldogge | 1.10 |
| Bulldog | 1.10 | Olde Victorian Bulldogge | 1.10 |
| Bullmastiff | 1.10 | Perro De Presa Canario | 1.10 |
| Canary Dog | 1.10 | Pyrenean Mastiff | 1.10 |
| Chow Chow | 1.10 | Pyrenean Mountain Dog | 1.10 |
| Cocker Spaniel | 1.10 | Roman Rottweiler | 1.10 |
| Coonhound-Black & Tan | 1.10 | Rottweiler | 1.10 |
| Coonhound-Blue Tick | 1.10 | Russian Hound | 1.10 |
| Coonhound-Redbone | 1.10 | Russian Wolfhound | 1.10 |
| Dachshund | 1.10 | Saint Bernard | 1.10 |
| Doberman Pinscher | 1.10 | Scottish Deerhound | 1.10 |
| English Bulldog | 1.20 | Shar Pei | 1.10 |
| English Cocker Spaniel | 1.10 | Spanish Bulldog | 1.10 |
| French Bulldog | 1.10 | Spanish Mastiff | 1.10 |
| French Mastiff | 1.10 | Tibetan Mastiff | 1.10 |
| | | Treeing Walker Coon Hound | 1.10 |

Geographic Relativities

| Geographic Area | | | | Region Factor | Metro Factor | Rate Factor |
|-----------------|----------|-----------|----------|---------------|--------------|-------------|
| All other | Arkansas | Southeast | Rural | 97% | 100% | 0.97 |
| Little Rock | Arkansas | Southeast | Suburban | 97% | 100% | 0.97 |



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

Policyholder Discounts

General Credit Provisions Applicable to All Expense Reduction

- Expense Reduction Credits offered by the Company will be reviewed from time to time and may be discontinued or adjusted based upon aggregate experience generated by the policies that have qualified for the applicable Expense Reduction Credit. The Company shall provide policyholders with thirty (30) days advance written notice of any discontinuation or modification in Expense Reduction Credit.
- Expense Reduction Credits in this section apply only to the Pets Premier, Pets First and Pets Basic Plans and do not apply to the BestWellness or Accidental Injury Only Plans.
- Reclassification of any a member upon termination of membership to an individual policy, from any Group receiving an Expense Reduction Credit member, may only occur at policy renewal.
- Any Expense Reduction Credits in this section may be combined, but are subject to a maximum total combined discount per pet.

Maximum Combined Expense Reduction Credit of : .800

Multiple Pets Credit

In the event that two or more pets are enrolled on a single policy the Multiple Pets Expense Reduction Credit will be applied.

The Multiple Pets Expense Reduction Credits are as follows:

| | |
|-----------------|------|
| 1 pet: | 1.00 |
| 2 to 3 pets: | .930 |
| 4 to 6 pets: | .880 |
| 7 or more pets: | .850 |

The Multiple Pets Expense Reduction Credit will be available for any combination of two or more canine or feline pets insured on the same policy. If the number of qualifying pets changes during a policy term, then the applicable Expense Reduction Credit for the number of qualifying pets as of the date of change will be applied.

Service Pets Credit

The Company defines Service Pets as pets that are regularly used in service capacities such as hearing ear, seeing eye, police and rescue dogs or therapy pets that are certified as such by a recognized association or governmental entity. This Expense Reduction Credit is based on reduced acquisition costs and a single entry point to a large number of pets

Service Pets Expense Reduction Credit: .900

Premium Credit for Spayed or Neutered Pets – BestWellness Plans

The BestWellness Plan rates as shown in the rate pages are flat rates and are not subject to modification, except that the premiums will be reduced if, on the effective date of the policy, a pet (cat or dog) is already spayed or neutered. This credit applies irrespective of any other credits applied, and is not subject to the Maximum Combined Expense Reduction Credit provision.

The per policy term (12 months) premium credit is: \$36.00

Web Link Partner Credit

The Company has available an Expense Reduction Credit to policyholders who are the customers or employees of qualifying Web Link Partners. Web Link Partners are defined as businesses that operate in relation to canines and/or felines and will place a web link to us on their web site. The Web Link Partner Expense Reduction Credit is based upon reduced marketing expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative marketing.



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

| | | |
|---|---|------|
| | Web Link Partner Expense Reduction Credit: | .950 |
| Affinity Groups and Strategic Educational and Promotional Providers Credit | <p>The Company has available an Expense Reduction Credit to members of Affinity Groups and Strategic Educational and Promotional Providers. The Affinity Groups Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative advertising</p> <ul style="list-style-type: none"> ➤ The Affinity Group must have a specific definition and membership requirements. ➤ The Affinity Group must endorse or recommend and sponsor the Company's pet insurance program. ➤ There must be a written contractual arrangement between the Company and the Affinity Group. ➤ Membership in the Affinity Group entitles members to the group Expense Reduction Credit. | |
| | Affinity Groups Expense Reduction Credit: | .900 |
| | Strategic Educational and Promotional Partners are defined as cooperation between the Company and another firm or party that is memorialized by a written agreement, such as veterinary suppliers, schools, trainers, breeders and others to educate and promote public awareness of the benefits of pet insurance in general. Membership in the Group entitles members to the group Expense Reduction Credit. This Expense Reduction Credit is based on reduced acquisition costs based on a single entry point to a large number of pets. | |
| | Strategic Educational and Promotional Partners Reduction Credit | .850 |
| Annual Premium Payment Credit | The Company has available an expense reduction credit to be applied to policies in which the policyholder chooses to pay the full policy term premium (12 months) at inception or renewal. The Annual Premium Payment Credit is based on the Company's desire to pass the discount of lower credit card transaction fees on to the Policyholder. | |
| | Annual Premium Payment Credit: | .930 |
| Associate Provider Veterinary Clinics Credit | <p>The Company has available an Expense Reduction Credit to qualifying employees and customers of Associate Provider veterinary clinics. Associate Provider veterinary clinics are clinics that have undergone training and are familiar with the Company's Pets Best product lines, claims procedures and technology, and thus have been approved by the Company as Associate Veterinary Providers. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment.</p> <p>Policyholders who take their pet(s) to Associate Providers may be eligible to receive a premium Expense Reduction Credit if currently offered by the Company.</p> | |
| | The Expense Reduction Credit for employees of Associate Provider Veterinary Clinic: | .800 |
| | The Expense Reduction Credit for customers of Associate Provider Veterinary Clinic: | .950 |
| Staff Employed by an Animal Shelter or Humane Society and Pet Owner Adoption Credit | The Company has available an Expense Reduction Credit to animal shelter or humane society staff members, while they are employed at an animal shelter or humane society. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment. | |



Rate Pages

Personal Inland Marine

(For use with form NP 11 62 04 07)

The Animal Shelter or Humane Society Staff Expense Reduction Credit: .900

The Company also makes available an Expense Reduction Credit for pets adopted from a Humane Society or Animal Shelter. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment

The Animal Shelter or Humane Society Pet Owner Adoption Expense Reduction Credit: .900

Corporate Group Benefit Programs Credit

The Company has available an Expense Reduction Credit to employees of employers who offer pet insurance as part of their Corporate Group Benefit Program. The Expense Reduction Credit is based upon reduced underwriting expenses that will accrue from highly efficient enrollment.

The Corporate Group Benefit Expense Reduction Credit is: .900

Fixed Premium Option

General Rules

- The premiums for pets insured under the Fixed Premium Option are fixed at the time the option is made effective and will not be subject to change until a dog reaches eight (8) years of age or a cat reaches twelve (12) years of age, except in certain circumstances explained below.
- Pets are eligible for this option only through the policy period in which a dog reaches its eighth (8th) birthday or a cat reaches its twelfth (12th) birthday. Policy premiums for pets subsequent to this expiration will be calculated based upon prevailing rates, rate modifications and rules in effect as of the renewal date.
- The purchase of this option does not guarantee that coverage will be renewed at each policy renewal.
- If we file any plan revisions that would result in a premium lower than the fixed premium under this option, then the subject pets will receive the lower premium that results from the revision upon the next policy renewal.
- This option is not available for use in conjunction with the BestWellness or Accidental Injury Only Plans.

Upgrades or Downgrades to Coverage Plan

- The Fixed Premium Option is available at the discretion of the Company and may be modified or discontinued at any time with 30 days written notice. Any modifications or discontinuations will not affect any fixed rate policies continuously in force.
- In the event of a coverage plan upgrade subsequent to the attachment of this option, this option will automatically transfer to the upgraded policy. The premium for the subject pets will be recalculated based upon prevailing rates, rate factors and rules in effect at the time of the upgrade, except that the Age rating factor that was applied on the date the Fixed Premium option was originally applied to the subject pets will remain in effect at the time an upgrade is made.
- If at any time after attachment of this option a downgrade of coverage occurs relative to the subject pets, this option will not transfer to the downgraded policy. The premium for the subject pets will be recalculated based upon prevailing rates, rate factors and rules in effect at the time of the downgrade. In the event of such a decrease or downgrade, and provided the Company is still offering a Fixed Premium option at the time of the plan downgrade, the option may be attached and rated subject to the rates, rate modifications and rules of the prevailing Fixed Premium option offered at the time of the downgrade.

Subject to Geographic Rate Factors

In the event a policyholder relocates, upon the next policy renewal subsequent to the relocation, the policy premiums will be recalculated and fixed based upon the Geographic factors that apply at the new location, and subject to applicable state rates.

Addition of New Pets

Newly added pets will be subject to the rates, rating factors and rules in existence at the time they are added to the policy. If the Company is still offering the Fixed Premium option at the time a new pet is added to the policy, and this option is selected, then the premium for any newly added pets will be based upon the prevailing rates, rate modifications, and rules then in effect at the time the new pet is added to the policy.

Rating Rules

(For use with form NP 11 62 04 07)

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Eligibility Requirements

Pets First Plans

Eligibility for enrollment in the Pets First, Pets Premier or Pets Basic Plans is primarily determined based upon the health history of a pet that is provided by the applicant at the time of enrollment. Certain medical conditions may disqualify a pet for coverage under a plan, or be subject to certain coverage limitations as specified in the policy. Refer to the Company Policies and Procedures section for the lists of medical conditions.

Pets Premier Plans

Pets Basic Plans

Accidental Injury Only Plans

Any pet is eligible for the Accidental Injury Only Plan. The BestWellness Plan must be purchased in conjunction with the Pets First, Pets Premier or Pets Basic Plan. The BestWellness Plan is not available in conjunction with the Accidental Injury Only Plan.

BestWellness Option

Rates

Refer to the rate pages for applicable rates.

Rating Formula

Pets First Plans

The base rate is multiplied by applicable age factors, breed factors, geographic factors and discount factors. These calculations are made separately, and the results are deducted or added to the base rate, subject to the Maximum Combined Expense Reduction provision.

Pets Premier Plans

Refer to additional rating rules and provisions below.

Pets Basic Plans

Rating Rules

(For use with form NP 11 62 04 07)

Expense Reduction Credits

General Credit Provisions Applicable to All Expense Reduction

- Expense Reduction Credits offered by the Company will be reviewed from time to time and may be discontinued or adjusted based upon aggregate experience generated by the policies that have qualified for the applicable Expense Reduction Credit. The Company shall provide policyholders with thirty (30) days advance written notice of any discontinuation or modification in Expense Reduction Credit.
- Expense Reduction Credits in this section apply only to the Pets Premier, Pets First and Pets Basic Plans and do not apply to the BestWellness or Accidental Injury Only Plans.
- Reclassification of any a member upon termination of membership to an individual policy, from any Group receiving an Expense Reduction Credit member, may only occur at policy renewal.
- Any Expense Reduction Credits in this section may be combined, but are subject to a maximum total combined discount per pet.

Maximum Combined Expense Reduction Credit of : .800

Multiple Pets Credit

In the event that two or more pets are enrolled on a single policy the Multiple Pets Expense Reduction Credit will be applied.

The Multiple Pets Expense Reduction Credits are as follows:

| | |
|-----------------|------|
| 1 pet: | 1.00 |
| 2 to 3 pets: | .930 |
| 4 to 6 pets: | .880 |
| 7 or more pets: | .850 |

The Multiple Pets Expense Reduction Credit will be available for any combination of two or more canine or feline pets insured on the same policy. If the number of qualifying pets changes during a policy term, then the applicable Expense Reduction Credit for the number of qualifying pets as of the date of change will be applied.

Service Pets Credit

The Company defines Service Pets as pets that are regularly used in service capacities such as hearing ear, seeing eye, police and rescue dogs or therapy pets that are certified as such by a recognized association or governmental entity. This Expense Reduction Credit is based on reduced acquisition costs and a single entry point to a large number of pets

Service Pets Expense Reduction Credit: .900

Premium Credit for Spayed or Neutered Pets – BestWellness Plans

The BestWellness Plan rates as shown in the rate pages are flat rates and are not subject to modification, except that the premiums will be reduced if, on the effective date of the policy, a pet (cat or dog) is already spayed or neutered. This credit applies irrespective of any other credits applied, and is not subject to the Maximum Combined Expense Reduction Credit provision.

The per policy term (12 months) premium credit is: \$36.00

Rating Rules

(For use with form NP 11 62 04 07)

Web Link Partner Credit The Company has available an Expense Reduction Credit to policyholders who are the customers or employees of qualifying Web Link Partners. Web Link Partners are defined as businesses that operate in relation to canines and/or felines and will place a web link to us on their web site. The Web Link Partner Expense Reduction Credit is based upon reduced marketing expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative marketing.

Web Link Partner Expense Reduction Credit: .950

Affinity Groups and Strategic Educational and Promotional Providers Credit The Company has available an Expense Reduction Credit to members of Affinity Groups and Strategic Educational and Promotional Providers. The Affinity Groups Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative advertising

- The Affinity Group must have a specific definition and membership requirements.
- The Affinity Group must endorse or recommend and sponsor the Company's pet insurance program.
- There must be a written contractual arrangement between the Company and the Affinity Group.
- Membership in the Affinity Group entitles members to the group Expense Reduction Credit.

Affinity Groups Expense Reduction Credit: .900

Strategic Educational and Promotional Partners are defined as cooperation between the Company and another firm or party that is memorialized by a written agreement, such as veterinary suppliers, schools, trainers, breeders and others to educate and promote public awareness of the benefits of pet insurance in general. Membership in the Group entitles members to the group Expense Reduction Credit. This Expense Reduction Credit is based on reduced acquisition costs based on a single entry point to a large number of pets.

Strategic Educational and Promotional Partners Reduction Credit .850

Annual Premium Payment Credit The Company has available an expense reduction credit to be applied to policies in which the policyholder chooses to pay the full policy term premium (12 months) at inception or renewal. The Annual Premium Payment Credit is based on the Company's desire to pass the discount of lower credit card transaction fees on to the Policyholder.

Annual Premium Payment Credit: .930

Associate Provider Veterinary Clinics Credit The Company has available an Expense Reduction Credit to qualifying employees and customers of Associate Provider veterinary clinics. Associate Provider veterinary clinics are clinics that have undergone training and are familiar with the Company's Pets Best product lines, claims procedures and technology, and thus have been approved by the Company as Associate Veterinary Providers. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment.

Policyholders who take their pet(s) to Associate Providers may be eligible to receive a premium Expense Reduction Credit if currently offered by the Company.

The Expense Reduction Credit for employees of Associate Provider Veterinary Clinic: .800

The Expense Reduction Credit for customers of Associate Provider Veterinary Clinic: .950

Rating Rules

(For use with form NP 11 62 04 07)

Staff Employed by an
Animal Shelter or Humane
Society and Pet Owner
Adoption Credit

The Company has available an Expense Reduction Credit to animal shelter or humane society staff members, while they are employed at an animal shelter or humane society. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment.

The Animal Shelter or Humane Society Staff Expense Reduction Credit: .900

The Company also makes available an Expense Reduction Credit for pets adopted from a Humane Society or Animal Shelter. The Expense Reduction Credit is based upon reduced marketing and underwriting expenses that will accrue from the economies of scale and relationship leveraging that occurs through public awareness, group education and cooperative and efficient enrollment

The Animal Shelter or Humane Society Pet Owner Adoption Expense Reduction Credit: .900

Corporate Group Benefit
Programs Credit

The Company has available an Expense Reduction Credit to employees of employers who offer pet insurance as part of their Corporate Group Benefit Program. The Expense Reduction Credit is based upon reduced underwriting expenses that will accrue from highly efficient enrollment.

The Corporate Group Benefit Expense Reduction Credit is: .900

Fixed Premium Option

General Rules

- The premiums for pets insured under the Fixed Premium Option are fixed at the time the option is made effective and will not be subject to change until a dog reaches eight (8) years of age or a cat reaches twelve (12) years of age, except in certain circumstances explained below.
- Pets are eligible for this option only through the policy period in which a dog reaches its eighth (8th) birthday or a cat reaches its twelfth (12th) birthday. Policy premiums for pets subsequent to this expiration will be calculated based upon prevailing rates, rate modifications and rules in effect as of the renewal date.
- The purchase of this option does not guarantee that coverage will be renewed at each policy renewal.
- If we file any plan revisions that would result in a premium lower than the fixed premium under this option, then the subject pets will receive the lower premium that results from the revision upon the next policy renewal.
- This option is not available for use in conjunction with the BestWellness or Accidental Injury Only Plans.
- The Fixed Premium Option is available at the discretion of the Company and may be modified or discontinued at any time with 30 days written notice. Any modifications or discontinuations will not affect any fixed rate policies continuously in force.

Upgrades or
Downgrades to
Coverage Plan

- In the event of a coverage plan upgrade subsequent to the attachment of this option, this option will automatically transfer to the upgraded policy. The premium for the subject pets will be recalculated based upon prevailing rates, rate factors and rules in effect at the time of the upgrade, except that the Age rating factor that was applied on the date the Fixed Premium option was originally applied to the subject pets will remain in effect at the time an upgrade is made.
- If at any time after attachment of this option a downgrade of coverage occurs relative to the subject pets, this option will not transfer to the downgraded policy. The premium for the subject pets will be recalculated based upon prevailing rates, rate factors and rules in effect at the time of the downgrade. In the event of such a decrease or downgrade, and provided the Company is still offering a Fixed Premium option at the time of the plan downgrade, the option may be attached and rated subject to the rates, rate modifications and rules of the prevailing Fixed Premium option offered at the time of the downgrade.

Subject to
Geographic Rate
Factors

In the event a policyholder relocates, upon the next policy renewal subsequent to the relocation, the policy premiums will be recalculated and fixed based upon the Geographic factors that apply at the new location, and subject to applicable state rates.

Addition of New

Newly added pets will be subject to the rates, rating factors and rules in existence at the time they are added to the policy. If the

Rating Rules

(For use with form NP 11 62 04 07)

Pets

Company is still offering the Fixed Premium option at the time a new pet is added to the policy, and this option is selected, then the premium for any newly added pets will be based upon the prevailing rates, rate modifications, and rules then in effect at the time the new pet is added to the policy.